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THE Agricultural Situation

AUGUST 1951

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Hybrid Corn Moves Southeast

. . . Still Room for Expansion

FARMERS IN the Southeastern States are making rapid progress in the use of hybrid seed corn, now that varieties adapted to this region are to be had. Although the Southeast is about 10 years behind the country as a whole in the use of hybrids, the largest relative increases are now taking place here.

Ten years ago when the country as a whole was planting more than a third of its corn acreage with hybrid seed, and the Corn Belt about two-thirds, Georgia, Florida, Alabama, and the Carolinas each had less than 1 percent of its acreage in hybrid corn. Now the hybrid plantings range from about 17 percent in Alabama and Georgia to 38 percent in Florida and North Carolina.

By 1950, the hybrid corn acreage in North Carolina had increased to 34.5 percent of the total corn acreage. This year it climbed to nearly 38 percent. By 1950, South Carolina was planting 28 percent hybrid; this year, 34 percent. Georgia, by 1950, was planting 17 percent hybrid; this year, 27 percent. Florida in 1950 planted 32 percent hybrid; this year it is over 38. Alabama by 1950 had 17 percent hybrid; this year it is over 24. Louisiana, with slightly over 1 percent hybrid 10 years ago, had 30 percent in 1950 and over 37 this year.

Means More Corn

When we realize that land planted with hybrid seed usually produces about a fifth more corn on the average than land planted with open-pollinated seed, it can be seen that the fast-growing tendency to use this improved seed is having a tremendous influence on the production of corn in the Southeast where farmers, more and more, are adding grain-consuming livestock to their crop programs.

Mississippi, with 2.7 percent planted in hybrid 10 years ago had 22 percent last year and has 31 percent this year. Tennessee had 4.2 percent hybrid 10 years ago, 49 percent last year, and has 49 percent again this year.

Some of the Southeastern States nearest the Corn Belt had a somewhat larger acreage in hybrid corn 10 years ago than those already mentioned but the increase in these States also has been relatively high. Maryland 10 years ago had 28 percent hybrid; this year it is 93 percent. Delaware, 10 years ago, had about 18 percent hybrid; this year it has 90 percent. West Virginia 10 years ago had 12.4 percent hybrid; this year it is 77.5 percent. And Kentucky 10 years ago had 13.5 percent hybrid, increased it to 86.5 percent last year and planted the same percentage this year.

Arkansas and Virginia are two other States that are now planting comparatively large percentages in hybrid corn. Ten years ago, Arkansas had only about 6 percent of its acreage in hybrid. Last year, it had increased to 60 percent, and this year it is up to 63 percent. And Virginia, with only about 5 percent hybrid 10 years ago, now has 77 percent of its corn acreage planted in hybrid seed. The United States, as a whole, had 39.3 percent in hybrid corn 10 years ago and 77.4 percent last year. This year it is 81 percent.

United States planted corn acreage this year is about 86 million acres. About 21 million acres were planted in the 14 Southeastern States and nearly 9½ million acres were hybrid.

Room for Further Increases

Although large increases in the use of hybrids have been registered in the Southeast, it is here that the greatest opportunity exists for further increases. Already the leading Corn Belt States—Ohio, Indiana, Illinois, and Iowa—are planting practically all their corn acreage in hybrids; and the North Central States as a whole already have reached 95 percent. The Southeast, now planting 46 percent of its corn acreage in hybrid seed, still has over half its acreage as a potential for further expansion.

Marshall A. Thompson
Bureau of Agricultural Economics

Taking a Look at Cattle

... Numbers Climbing, Slaughter Small

ALL YEAR, cattle have made news. For that matter cattle often make news, because cattle raising is a big and important industry that is always changing. Also, the importance of beef as a food focuses attention on cattle.

There are three main features of the present cattle situation: (1) The number of cattle and calves now on farms and ranches is at or near an all-time peak; (2) the number slaughtered this year has been smaller than last year; (3) prices are much higher than last year but lower than their record highs reached in the spring.

Numbers Increasing Fast

Cattle numbers on farms traditionally move up and down through long swings often called the "cattle cycle." Just now, numbers are moving up—and fast. On January 1 of this year, 84.2 million cattle and calves were reported on farms and ranches. This number was 4.1 million more than the previous January and was only 1.4 million short of the all-time record number in January 1945. From January through June this year, 9 percent fewer cattle and 18 percent fewer calves were slaughtered commercially than in the same 6 months of 1950. On the other hand, this year's calf crop is considerably larger than last year's because there are 1.6 million more cows in the breeding herd. With fewer cattle and calves slaughtered and more calves born, cattle and calf numbers at the half year were at or were fast approaching an all-time high for this country.

Much of the increase in cattle numbers the last few years has been in the South and in the Corn Belt. Data for January 1951 show that numbers rose during the 2 years since January 1949 by the following percentages: In the North Atlantic States, 2 percent; in the North Central States, 6 percent; in the South Atlantic States (from Maryland to Florida), 15 percent; in the South Central States (from Ken-

tucky to Texas), 13 percent; and in the West, only 2 percent.

Increase Is in Beef Cattle

Moreover, the increase has been almost entirely in numbers of beef cattle (cattle classed as "not for milk"). On January 1 of this year, numbers of beef cattle were already 1.8 million above their 1945 peak. Furthermore, this 1.8 million shows up in more beef cows. The 18.4 million beef cows on hand in January compare with 16.5 million in 1945, 10 million in 1939, and an earlier peak of 12.7 million in 1934.

Numbers of cattle for milk, by contrast, have increased comparatively little the last few years, and are still 3½ million short of their high in 1944.

There are several reasons why cattle slaughter has been smaller this year than last despite the greater number on farms. First, an above average proportion of the cattle and calves on farms in January were young stock. This in itself means delayed marketings. Second, because of favorable prices for cattle the last few years, there has been an unusually strong tendency this year to retain young stock for addition to breeding herds or for feeding. Third, in recent months more older breeding stock also have been held back. Slaughter of cows during the winter was about equal to a year earlier but it failed to increase as usual in the spring. Combined cow and heifer slaughter under inspection in June was the second smallest for the month since 1932. Fourth, generally good pastures and ranges have encouraged holding cattle on grass. Pastures have been excellent in most areas and ranges have been good except in the dry Southwest. Fifth, developments and uncertainties in legislation and price control retarded marketings.

Production of beef in the first half of the year was not reduced as much as would be indicated by slaughter figures. Because average weights were heavier, commercial beef production in that period was down only 7 percent. The average consumption of

beef per person was probably short of the same period last year by 3 pounds or 10 percent. Because beef supplies were down, meat supplies would have been quite restricted had it not been for the substantial increase in pork. (Commercial pork production in the first 6 months was up 9 percent from last year.)

Prices of beef have been under control since February, first as a part of the General Ceiling Price Regulation and more recently under tailored dollars and cents ceilings set up by cuts and grades and by geographic zones. Since June 4, the over-all average level of slaughter cattle prices has also been subject to a ceiling limitation, which reduced cattle prices below the record highs of late April for steers and heifers and late May for cows. The OPS stated that the reduction was intended to restore normal margins to packers and distributors.

Roll-backs in prices of beef and further reductions in prices of cattle were originally scheduled by OPS for August 1 and October 1. The Defense Production Act Amendments of 1951 in effect blocked both the August and October changes in ceilings.

Prices of beef and of cattle in June and July, under the ceiling control, were considerably higher than a year earlier. The United States average retail price of Choice beef appeared to be at least 10 percent higher than in June 1950, and prices of cattle at Chicago varied by grades from 10 to more than 20 percent above the midsummer prices' last year.

Meantime, the disposable incomes of consumers this spring were around 10 percent greater than last spring. Since demand for meat follows changes in income pretty closely, it appears that ceilings have held down prices of beef and cattle about to the extent that they offset the price-raising effect of the smaller supplies of beef.

Slaughter Rise This Fall

Price prospects therefore depend to a considerable extent on how large cattle slaughter will be in the latter months of this year. If slaughter should begin to equal that of last year, the price situation would lose some of its strength.

A sharp seasonal rise in cattle marketings and slaughter can be expected this fall, but it is not certain whether the number will reach the corresponding 1950 level. Marketings off grass following the good grazing season this year are sure to be large, and they could be larger than the unusually small number of grass cattle marketed in the fall of 1950. However, marketings of grain-fed cattle—which alone were in large supply this spring—are likely in the next couple of months to be smaller than last year due to a slower movement into feedlots which was reflected in a 9-percent decrease in the number on feed in the Corn Belt this July 1 from last. Not until the ending months of this year, if then, are the chances good for grain-fed marketings to reach those of the same months last year. A last important factor in cattle slaughter the rest of 1951 is the continued trend toward withholding cattle and increasing sizes of herds.

"Held" Cattle a Big Factor

Even if cattle slaughter for the second half of this year should exceed by a small margin that in the second half of 1950, cattle and calf numbers at the end of the year are likely to be 5½ to 6 million larger than at the beginning. If cattle slaughter should stay below 1950, the Nation's cattle herd could go up by a million or so more than that. Either is a very rapid rate of expansion.

In fact, it may be questioned how fast cattle herds should be expanded; that is, to what degree cattle should be held back from marketing now, for an equivalent or greater increase in marketings at some future time. The above figures indicate that a sixth of current production is not being marketed currently. Adding that sixth to market supplies now, or at some time in the future, would have a pronounced effect on the quantity of beef available to consumers, and on prices for beef and cattle.

Record Supplies—Not Yet

This is probably the year of smallest beef supplies per person in the present cattle cycle. Consumption for all of

1951 is expected to be no more than 60 to 62 pounds, compared with 63 pounds last year. Consumption per person several years hence could very well reach the 70-pound mark set in 1947, which was the highest rate since 1910.

No Price Declines Soon

For the immediate future, there is no cause to expect a marked weakness in cattle prices, as a further strengthen-

ing of demand will probably result from continued increases in the defense program. *In the longer future, price declines are more likely;* but they promise to be moderate so long as cattle marketings are not first reduced too much and later abruptly increased, and so long as employment and incomes of consumers remain high.

Harold F. Breimyer
Bureau of Agricultural Economics

Outlook Highlights

. . . AUGUST 1951

Processing Truck Plentiful

Production of major truck crops for commercial processing will be about in line with the increase suggested last February in the Department guides, if weather continues reasonably favorable according to mid-year prospects. About 8 percent of the canned vegetable pack this year is to be set aside for expanded military requirements; but, in general, enough will remain to supply an expanded civilian demand. Retail prices are expected to be generally higher than for the 1950 pack.

Better Potato Prices This Year

Farmers' prices for 1951 potatoes are expected to average higher than for last year's crop. Based on July 1 estimates, crop is indicated to be well below the 1950 crop, out of which 100 million bushels had to be purchased by the Government or diverted for price support. This year there is no price support program. Sweetpotatoes also should bring farmers higher average prices than last year. Farmers have reduced sweetpotato acreage in favor of other crops.

Dairy Product Prices Steady

Retail prices of all dairy products have been unchanged in recent months.

More Milk Moving as Fluid

More milk is moving into fluid channels than last year. Quantity used in manufacturing first 5 months of this year was about 8 percent smaller than a year earlier. Butter accounted for most of the decline. Cheese output was only 5 percent smaller and production of evaporated milk and dry whole milk and ice cream was larger.

Less Butter, More Margarine

Consumption of dairy products per capita—milk equivalent basis—will be a little less this year than in 1950. Most of the decline is in butter, which may fall below 10 pounds per person for the first time on record. Consumption of margarine, on the other hand, is running above last year; production, first 5 months, up 13 percent from year earlier. The costs of the ingredients of margarine recently declined substantially.

Egg Supplies Above 1950

Monthly egg production latter half of this year is likely to exceed output in the corresponding months of 1950. This increase in supply may just about offset the reduction from last year in the number of shell eggs in storage. Frozen-egg volume in storage is very slightly larger than a year ago. Layer replacement hatch occurred later than usual this year. Large volume of pullet eggs likely will not be marketed until fairly late in the fall. Strong demand has been holding egg prices above a year earlier, despite larger supplies. The outlook is for further seasonal price increases.

Lower Prices for Fats, Oils

Prices of most fats and oils continued downward in July, reflecting ample supplies in relation to demand. Domestic disappearance of 4 oils (cottonseed, soybean, peanut, and corn oils) October 1950 through May 1951 totaled 2,390 million pounds, down 60 million from a year earlier. And disappearance February-May was down 137 million pounds from a year earlier. Butter prices declined to the support level in July, probably reflecting the general downward price movement of oils used in margarine. Lard was the only major fat which did not decline in price in July; but lard prices already were down almost 20 percent from February. Output of lard in 1951-52 is expected to be larger than in the 1950-51 season.

Feed Grain Situation

Prices of feed grains probably will average a little higher in the 1951-52 feeding season than in 1950-51, reflecting higher demand and higher price supports. But prices of many of the high-protein feeds were lower in July than a year earlier. Cottonseed meal prices at Memphis declined below soybean meal at Chicago for the first time since last fall. The supply of all feed concentrates, including grains and by-product feeds, was expected at mid-year to about equal the big supplies of the past 2 years. Feed grain production, as indicated in July, is slightly larger than in 1950, and the total supply about the same. But demand is expected to be strong for all feeds and the total fed to livestock probably will be the heaviest since the record high of World War II. Reserve stocks will likely be reduced in 1951-52, but carry-over stocks at the end of the year probably will remain well above average.

The corn supply this coming season is expected to be about 4 billion bushels, consisting of the new crop of 3.3 billion, indicated July 1, plus a probable carry-over of 700 million bushels or more. Supplies of oats and barley will be above the prewar average, though smaller than in 1950.

Ample Hay Supplies

A record hay supply—about 128 million tons—was in prospect at mid-year for the 1951-52 feeding season; ample for the prospective livestock to be fed. Pastures were unusually good in July, over most of the country.

Wheat Relatively Plentiful

Total wheat supplies for the marketing year beginning July 1, 1951, are estimated at mid-year at 1.5 billion bushels, counting this year's crop, probable imports of feeding quality wheat, plus the present carry-over of 395 million bushels. Supplies of this size have been exceeded in only 3 years.

Domestic disappearance of wheat in 1951-52 may total about 755 million bushels. This would leave about 750 million for exports and carry-over. If exports total about the same as the 364 million bushels estimated for the 1950-51 marketing season, about 385 million would remain for carry-over July 1, 1952—well above prewar average of 235 million bushels.

More Wheat Acreage Next Year

A larger wheat acreage goal has been announced for next year. The 78,850,000 acres would be a little above the big acreage seeded for the 1951 harvest and, with normal yields, would produce a crop of about 1,165 million bushels, well above the crop this year.

Large Cotton Crop

This year's cotton crop is forecast at a little over 17¼ million bales, August 1 condition. This is about 7¼ million more than last year's small crop and 5.2 million bales more than the 10-year average. Big acreage this year. Acreage in cultivation July 1, 29.5 million; last year, 18.6 million; 10-year average, 22.2 million acres.

Indicated lint yield—U. S. average—is 287 pounds per acre, 18 pounds above last year's yield, and 21 pounds above the 10-year average. Indicated yields are below average in Missouri, Tennessee, Arkansas, and New Mexico, but above average in other major cotton States. Record cotton yields are in prospect in Georgia and Louisiana.

(Continued on p. 14)

Our Tobacco Gets Around

... A STORY ON EXPORTS

TOBACCO GROWN in the United States is an important export commodity and goes to many different parts of the world.

During 1950 our leaf went to 93 different countries, adjacent provinces, territories, and islands. About two-thirds of these countries got more than one kind of tobacco. However, flue-cured is the predominant export tobacco and, in leaf form went to 76 different countries.

Cigarettes to Many Countries

In addition to leaf tobacco a substantial quantity of our tobacco is shipped abroad in the form of cigarettes, which last year went to 108 different countries.

In 1950 United States tobacco exports amounted to about 586 million pounds (farm sales weight)—equivalent to nearly 30 percent of the crop grown in 1950.

Nine-tenths Goes as Leaf

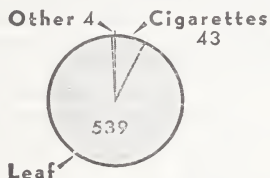
A little more than nine-tenths of our exports was shipped as leaf and most of the remainder as cigarettes. About 3 or 4 million pounds of smoking and chewing tobacco were exported but cigar exports were insignificant. The unmanufactured tobacco shipped in 1950 was valued at about one-quarter of a billion dollars and ranked next to cotton and grain in importance. The value of United States exports of manufactured tobacco products in 1950 was nearly an additional 48 million dollars, with cigarettes accounting for 94 percent of the total.

Exports Mostly Flue-Cured

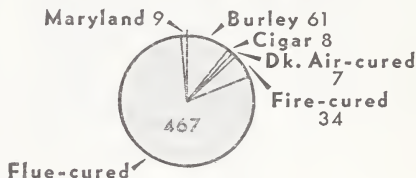
Flue-cured tobacco exported in 1950 both as leaf and in cigarettes is estimated at about 465 million pounds (farm sale weight) and accounted for four-fifths of total tobacco exports.

U. S. EXPORTS OF TOBACCO, 1950

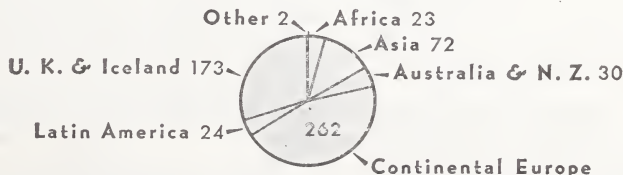
PRODUCT



KIND OF TOBACCO



DESTINATION



EACH CIRCLE REPRESENTS 586 MILLION POUNDS, FARM SALES EQUIVALENT
FIGURES IN SECTORS REPRESENT MILLIONS OF POUNDS

Burley exported both as leaf and in cigarettes is estimated at about 60 million pounds—a little more than 10 percent of the total. Fire-cured ranked next accounting for about 6 percent while the remaining 4 percent was split in roughly equal shares among the Maryland, Dark air-cured and cigar types.

Big Portion to Europe

Although our tobacco goes to many different countries, about three-fourths of the leaf and products combined went to Continental Europe, the United Kingdom, and Ireland. About one-eighth went to Asia, 5 percent to Australia and New Zealand and about 4 percent each to Latin America and Africa. The United Kingdom and Ireland accounted for a little more than 30 percent of the total and this was practically all leaf tobacco.

About 95 percent of the United States tobacco going to Continental Europe, went as leaf and the rest was mostly cigarettes. Of the total going to Asia 85 percent was as leaf and close to 15 percent, as cigarettes. Nearly all of the United States tobacco going to Australia and New Zealand was leaf but around 1 million pounds of manufactured chewing tobacco was shipped to Australia. United States tobacco going to Africa is split about 75 percent unmanufactured and 25 percent in the form of cigarettes. A substantial portion of the unmanufactured tobacco going to Africa is in a semiprocessed form known as Black Fat. This is mostly dark-air-cured leaf which is dipped or steamed, treated with some

mineral fat and subjected to pressure. About three-fifths of the United States tobacco going to Latin America is in manufactured form. Approximately 50 percent goes as cigarettes and 40 percent as leaf, while the remaining 10 percent was mostly manufactured smoking tobacco and a little chewing tobacco.

Plays Part in ECA

United States tobacco has been accorded a significant place in the Economic Recovery Program for the countries of Western Europe. In the 3¼ years ending June 30, 1951, the purchases of about 440 million dollars worth of United States tobacco were approved by ECA. Its importance as a consumption item of the peoples of Western Europe and its role in the collection of government revenues were recognized. The evils arising from black markets, which thrive on scarcities of tobacco, were reduced in some countries and in several countries prevented entirely.

Larger Exports This Year

United States tobacco exports during 1951 are expected to be larger than in 1950. A record or near record crop is indicated here this year and stocks in several areas abroad are low relative to consumption. The dollars exchange position of several important importing countries has improved in the past year and will be an offsetting factor to smaller ECA grants.

Arthur G. Conover
Bureau of Agricultural Economics

Three Handy Publications

READERS WHO WANT TO KEEP THEMSELVES INFORMED about the various reports issued by the *Bureau of Agricultural Economics*, should write in and ask that their names be placed on the mailing list to receive the "BAE Check List," issued monthly.

Two other handy sheets are the "Agricultural Outlook Digest" and the "Statistical Summary." They boil down the leading facts for you each month. Address: BAE, U. S. Department of Agriculture, Washington 25, D. C.

Crop Plantings This Year Near Guide Acreages

CURRENT CROP reports indicate that 1951 crop acreages will about equal the suggested guides. Spring wheat and cotton acreages each top the guide acreage by nearly a million acres. Feed grain acreages total about 98 percent of the 1951 guide acreage but, with yields expected now, production should about reach the 127 million ton production guide. Oil crop acreages and production should also equal or exceed goals. These favorable results have been achieved despite the unfavorable weather at planting time in some areas which kept much acreage from being planted and caused many shifts in crop acreages.

Sorghum grain, soybean, and rice acreages also exceed the requested 1951 acreage guides. On the other hand, corn, oats, barley, flaxseed, potato and sweetpotato acreages are under the guides. Acreages of guide crops planted add up to 99.9 percent of the total acreage requested.

Although the planted acreage of corn is 4 percent less than the requested guide acreage, production is expected to be 98 percent of the 1951 guide, due to an unusually favorable yield prospect. Sorghum grain acreage nearly one and a half times the 1951 goal will be a favorable factor in offsetting the deficit in corn acreage. Farmers planted much of this increased grain sorghum on abandoned wheat acreage. Oats acreage is 2 percent below the guide, but indicated production is about equal to the 1951 guide. Of the feed grains, barley alone fell decidedly below the requested acreage with only 85 percent of the guide acreage being planted, but expected yields are above average.

The tonnage of feed grains produced will about equal production guides, but utilization continues to be at levels well above production. Corn utilization for 1951-52 is now expected to be at levels well above production. Corn utilization for 1951-52 is now expected to exceed production by about 100 million bushels, and total stocks of

concentrate feed supplies are continuing to decline by about 2 million tons per year. Careful harvesting and storage, along with increased efficiency in feeding, are needed to assure best utilization of available stocks and retention of adequate feed reserves for 1952.

More Fall Grains Asked For

To assure continued adequate feed supplies in 1952, production goals for fall seeded oats and barley have already been announced. In those States where oats are seeded in the fall, farmers are requested to increase their fall plantings at least 5 percent. The announced 1952 barley goal is about 12.9 million acres or about 15 percent more than was planted in 1951. Both oats and barley are needed in increased quantities in 1952 to maintain feed supplies.

Spring wheat plantings in 1951 exceeded the guide acreage by 4 percent, and with the high yields in prospect, will offset much of the loss of winter wheat due to bad weather and insect damage. While less than the 1951 guide the indicated total production of wheat would be adequate to meet domestic requirements and foreign demand without material change in reserves. The high spring wheat acreage, which exceeded the guide acreage, and the favorable yield outlook in the spring wheat areas caused total wheat production estimates at 1,070 million bushels to exceed prewar production records—even with heavy acreage abandonment in the winter wheat States.

1952 Goals Announced

The 1952 production goal for wheat of 78,850,000 acres was announced by Secretary Brannan on July 14. This acreage, being just slightly above that for 1951, at average yields, should meet domestic and foreign requirements and provide adequate reserve stocks. State goals, which generally vary only slight-

ly from 1951 acreages, have been announced and are being broken down to county goals by the States. Local announcements should serve as a guide to farmers for their 1952 wheat acreages. Farmers are requested to increase wheat acreage only where it can be done without reducing feed production. Also, farmers are urged to produce their wheat under a system of farming practices which will enable them to continue to produce at something near present high levels of production if the emergency continues. Farmers also were asked to plant an acreage of rye for harvest no larger than the 1951 acreage.

Cotton Shifts Westward

The 29.5 million acres of cotton in cultivation July 1 was 103 percent of the 1951 guide acreage. With average or better yields from this acreage, production should be sufficient to meet all domestic requirements and permit friendly nations to purchase their normal requirements without further reduction in our stocks position. The rapid westward shift in cotton acreage greatly exceeded the rate suggested by the 1951 production guides. Southwestern States exceeded their guide acreage by about 12 percent, while Southeastern cotton acreage is estimated at only 94 percent of the guide acreage. High yields on irrigated lands in the Western States also emphasizes the western movement of cotton production.

Oilseed, Rice, Potatoes

Oilseed acreages for 1951 exceeded the recommendations, and the large cotton acreage is expected to further increase oil supplies. The late, wet spring limited the corn and oats plantings but resulted in a soybean acreage far exceeding earlier planting intentions, and slightly exceeding the goal acreage. Flax acreage fell somewhat below the 1951 guide, probably as a result of the high seedings of spring wheat. Stocks of flaxseed, or its equiv-

alent in oil, are high, however, and are adequate for all requirements. Peanut acreage is about one-fourth above the original acreage allotments.

Rice acreage and production exceeds the 1951 guide, and production is again expected to reach record proportions. With indicated yields, total production should exceed the 1949 production record of 40.7 million bags.

Potato acreage for 1951 is 98 percent of the recommended guide, which was much reduced from last year's acreage. With expected yields, this acreage should provide adequate potato production. Sweetpotato acreage, however, is only 71 percent of that recommended.

Prospective Supplies

In general, 1951 must be regarded as a year of intensive efforts by farmers to meet the high requirements as indicated by the acreage guides. Plantings of major crops total about 363.9 million acres compared to a requested acreage of 364.4 million acres and with 349.3 million acres planted in 1950. Although feed grain production still appears to be below present rates of consumption, and while wheat production suffered from heavy abandonment, prospective supplies of all types of major agricultural products appear adequate to meet domestic needs during this crop year, with additional supplies available to meet foreign demand and to maintain reserves.

Big Crops Needed In '52

Another high production effort in 1952, particularly for the feed crops, will be required to again meet the expected requirements and maintain stocks at levels made desirable by the present emergency conditions. Major effort in the 1952 production goals program will be to obtain needed supplies of feed grains and still maintain high production of fiber, oilseeds, and food grains without impairing the productive capacity of American farms.

George H. Walter
Production and Marketing Administration

Frozen Food Lockers Offer Farmers Many New Services

FARMERS TODAY are using the 11,-600 frozen food locker plants in the United States as a key to better living and better eating. These plants have come a long way from their one early job of storing meat at low temperatures. Now, in communities all over the country, farmers use these locker plants as local food processing centers. Not only do the plants store food, they also process it for the farmer. This means that he can live off his own land to a greater extent. He can save money and have better food; since quick freezing of fruits, vegetables, and meat products direct from the farm makes for better quality. It is food that has its good nutrition chilled into it.

Helps Save More Food

The modern locker plant saves the farmer and his wife time and labor. In the early days, farmers had to do all processing and wrapping at home. Many of today's plants do a complete job of slaughtering, chilling, aging, cutting, wrapping, and sharp freezing meat. In addition many plants dress poultry, cure and smoke meat, and render lard. And more and more plants have started processing fruits and vegetables for patrons.

Big Poundage Processed

Today, locker plants serve over 4 million patrons or about 16 million persons with local processing, freezing, and storing services. Approximately two-thirds of the patrons are farmers. While this industry got its start some 30 years ago on the Pacific coast, it did not really begin to grow until the mid-1930's. Greatest expansion came after World War II. While the Pacific coast and Middle West, with two-thirds of the locker plants, are the most important, the industry is scattered widely over the country.

According to a survey made in January 1950 by the *Farm Credit Administration* and the *Bureau of Agricultural Economics* of the U. S. Depart-

ment of Agriculture, the total food processed by 11,442 locker plants in 1949 was approximately 1.3 billion pounds. Of this total poundage, meat, including game, made up 90 percent, poultry 4 percent, and fruits and vegetables 6 percent.

Frozen food locker plants have proved versatile in adding new activities to meet the needs of their patrons. At first, their main job was renting lockers mostly for storing meat. Today, they offer a variety of services such as slaughtering, cutting, wrapping, and freezing. In addition, many of them cure and smoke meat, render lard and also process fruits and vegetables. About 40 percent of all locker plants are affiliated with grocery and meat markets. About a third of the plants are operated independently of other business.

Tie-in With Home Lockers

Home freezing units were once looked upon as a threat to the locker industry. The survey shows, however, that home unit owners are often the locker plants best customers, with 11 percent or 400,000 of all locker patrons owning home units. Also, that another 440,000 home unit patrons use locker plants but do not rent lockers. This latter group, however, accounts for 14 percent of the total meat processed by the locker plants.

Services Ever Increasing

Services offered by locker plants have shown a constant increase. In 1950, 89 percent of the 6,737 plants reporting performed chilling, cutting, wrapping, and freezing services, compared with 87 percent in 1946, the date of the previous survey. The number of plants curing pork increased greatly with 57 percent of all plants curing pork in 1950 compared with 42 percent in 1946. More plants are rendering lard, 41 percent in 1950 compared with 26 percent in 1946.

Local Market Outlet

The number of plants slaughtering animals has also increased. In 1950, 49 percent of all plants performed this service compared with 37 percent in 1946. Another service adapted to frozen food lockers is dressing poultry. It fits well into slack season operations. In 1950, 22 percent of all plants provided poultry dressing, compared with 17 percent in 1946.

Many locker plants are also going into commercial activities. These include custom slaughtering for non-locker patrons, processing of fresh and cured meats, poultry and fruits and vegetables for sale, manufacture and sale of ice cream, and storage and distribution of commercial frozen foods produced outside their localities.

In other words, the modern locker plant has become a local food processing and distributing center, serving not only farmers with an improved method of food preservation, but also as a local market outlet for a limited amount of their farm products. Frozen food locker plants in general serve rural areas. More than 70 percent of all locker plants are located in towns of 5,000 or less population with 40 percent in towns of less than 1,000. Only 19 percent are in towns of over 10,000 population.

Useful In Emergencies

Because the many locker plants are widely decentralized, the locker industry offers possibilities in an emergency. It is in a position to alleviate some of the strains on our over-all economy by:

1. Processing and storing home-grown perishable foods during periods of flush production for local consumption and distribution. Thus, it can make savings in handling, processing, and transporting these products from source of production to terminal processing centers and then back to local communities.

2. Using available small-town labor in local processing plants.

3. Saving critical materials such as tin, aluminum, and steel in packaging foods through the use of paper and other less critical materials.

4. Acting as storage and distributing agents for wholesale distributors of commercial frozen food, locker plants could substantially reduce the frequency of long-haul deliveries to retailers in local communities, and thus further conserve transportation and labor.

5. Reducing food costs to consumers through processing and merchandising home-grown foods in local areas.

Could Do More

In an all-out emergency, with possible disruption of transportation and large-scale processing facilities, the 11,600 locker plants, widely dispersed throughout the country, could service the needs of many small towns and communities and thus relieve the pressure on large commercial plants and transportation agencies. The industry could, if required, process, freeze, and store substantially more than it did in 1949, and in addition, could process for local consumption in fresh form several times its present volume.

What To Do for Step-Up

To effectuate such a program calls for a well-laid-out plan of action on the part of the locker operators. Such a program should include improvements in processing techniques, more efficient use of labor, plant equipment, and facilities, more stringent sanitary regulations, more efficient use of byproducts, honest dealing, and willingness to provide satisfactory services at reasonable rates and charges.

L. B. Mann

Farm Credit Administration

Most Chicks Brooded Without Hens

. . . Various Heat Sources Used

REPORTS FROM crop correspondents in February 1950 indicate that 29 percent of the total chicks raised in 1949 were brooded with heat from electricity, 27 percent with oil, 21 percent with coal, 10 percent with gas, 6 percent with heat from wood and 7 percent with hens.

Sources of heat used for brooding the 1¼ billion chickens raised, varied in different parts of the United States. Heat source depends on the availability and cost of fuel, and to some extent on the size of the brooding operation. From 1940 to 1949 the number of chickens raised increased 60 percent, and the proportion represented by broilers went up from 18 to 40 percent.

Electricity Leads

Electricity was the leading source of heat in three of the heavy producing areas of the country. Of these areas the Pacific States reported 61 percent of the chicks, the Corn Belt 44 percent and the Appalachian States 22 percent, brooded with electricity. These areas produced 37 percent of the total chickens in 1949.

Oil, Coal, Gas Also Used

At present, types of furnaces are available for use of oil, coal, or gas as fuel for central heated brooding systems. These fuels also are used extensively for hover type brooding. Oil was used to brood 54 percent of the chicks in the Plains States, 44 percent in the Lake States, 41 percent in the Southeast and 37 percent in both the Rocky Mountain and Oklahoma-Texas areas.

Coal was used for brooding 57 percent of the chicks in the Northeast where there are heavy concentrations of broilers. In Delaware and Maryland, where about 25 percent of all broilers in the United States were produced in 1949, 77 and 80 percent of the chicks were brooded with coal.

Nearly one-third of the chicks were brooded with gas in the Mississippi Delta States. There and in the Oklahoma-Texas area, where about one-fourth of the chicks were brooded with gas, the price of liquefied petroleum gas was relatively low, ranging from 9.5 to 13.5 cents a gallon.

Wood was used extensively in the Appalachian States. West Virginia led the Nation in the use of wood as a brooder fuel.

Small Owners Use Hens

Some brooding with hens was reported in all areas. This method was used mostly by owners of small flocks. About 15 percent of the chicks in the Appalachian and Delta States were reported brooded with hens.

There were 335,000 brooders shipped by manufacturers for domestic use in 1949 of which 82 percent were of the floor type. Of the floor type brooders shipped, 90,000 were gas brooders, 84,000 electric, 66,000 oil, and 35,000 were coal and wood brooders. Battery type brooders shipped in 1949 totaled 60,000 of which 44,000 were 3 deck and less. The floor type brooders are designed for use on the floor and usually accommodate around 400 to 500 chicks per unit. The battery type brooder consists of two or more units assembled vertically and is usually heated with a separate electric heating element in each unit.

The number of floor type brooders shipped in 1949 was only 13 percent greater than the number shipped in 1940, while shipments of battery brooders increased from about 10,000 in 1940 to over 60,000 in 1949.

Central heating systems are popular where thousands of chicks are brooded at one time. Heat is usually supplied by hot water pipes or forced hot air which heats the entire space in the building.

Paul E. Strickler
Paul E. Smith

Bureau of Agricultural Economics

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		July 15, 1950	June 15, 1951	July 15, 1951	Effective parity price July 15, 1951 ²	
	Base period price 1910-14 ¹	January 1935- Decem- ber 1939					
Basic commodities:							
Cotton (pound)-----	cents..	3 12.4	10.34	33.05	42.02	39.11	33.85
Wheat (bushel)-----	dollars..	3 884	.837	1.99	2.08	2.05	2.41
Rice (cwt.)-----	do.....	1.97	1.65	4.46	5.51	5.40	5.56
Corn (bushel)-----	do.....	3 642	.691	1.44	1.62	1.63	1.75
Peanuts (pound)-----	cents..	3 4.8	3.55	10.9	10.8	10.8	13.1
Designated non-basic commodities:							
Potatoes (bushel)-----	dollars..	4 1.12	.717	1.27	1.08	1.18	5 1.80
Butterfat in cream (pound)-----	cents..	27.2	29.1	59.4	69.8	68.8	76.7
Milk, wholesale (100 lb.) ⁶ -----	dollars..	1.70	1.81	3.58	4.19	4.30	4.79
Wool (pound)-----	cents..	20.1	23.8	58.6	101.0	86.5	56.7
Other non-basic commodities:							
Barley (bushel)-----	dollars..	3 619	.533	1.15	1.22	1.17	5 1.52
Cottonseed (ton)-----	do.....	26.10	27.52	52.00	95.60	78.00	73.60
Flaxseed (bushel)-----	do.....	1.67	1.69	3.39	3.40	3.17	4.71
Oats (bushel)-----	do.....	3 399	.340	.763	.829	.783	5 981
Rye (bushel)-----	do.....	3 720	.554	1.26	1.60	1.55	5 1.77
Sorghum, grain (100 lb.)-----	do.....	3 1.21	1.17	1.90	2.16	2.09	5 2.97
Soybeans (bushel)-----	do.....	1.00	.954	2.93	2.98	2.86	2.82
Sweet potatoes (bushel)-----	do.....	.908	.807	2.08	2.10	2.19	2.56
Beef cattle (100 lb.)-----	do.....	7.02	6.56	24.40	29.50	29.00	19.80
Chickens (pound)-----	cents..	11.1	14.9	23.4	27.3	27.0	31.3
Eggs (dozen)-----	do.....	3 21.5	21.7	34.3	44.7	46.6	5 52.8
Hogs (100 lb.)-----	dollars..	7.57	8.38	20.90	21.10	20.80	21.30
Lambs (100 lb.)-----	do.....	7.71	7.79	24.70	31.70	30.20	21.70
Veal calves (100 lb.)-----	do.....	7.84	7.80	26.60	33.40	32.50	22.10
Oranges, on tree (box)-----	do.....	4 2.29	1.11	1.22	1.53	.91	5 3.69
Apples (bushel)-----	do.....	1.02	.90	2.65	1.89	1.93	2.88
Hay, baled (ton)-----	do.....	8.58	11.20	19.80	21.60	20.20	24.20

¹ Adjusted base period prices 1910-14, based on 120-month average January 1941-December 1950 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1933 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914.

⁴ 10-season average 1919-28.

⁵ Transitional parity, 90 percent of parity price computed under formula in use prior to Jan. 1, 1950.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

⁸ Relatively insignificant quantities sold for crushing this month.

Outlook Highlights

(Continued from page 6)

Prices Received Slightly Lower

Although still higher than a year ago, average prices received by farmers continued to decline in July, reflecting the relatively favorable output in prospect for 1951. July index was 294 percent of the 1910-14 average. This was 7 index points below June and 19 points below the peak of 313 reached in February, this year. Com-

pared with a year ago, prices received in July still averaged nearly one-eighth higher. Livestock and livestock product prices were up about one-sixth from a year ago; crop prices up about 7 percent. Greatest increases were for wool, poultry and eggs, cotton, oil-bearing crops, and dairy products. Smaller increases from year ago were noted for meat animals, tobacco, and feed and food grains, and truck crops. Prices received for fruit and truck crops averaged lower in July than a year earlier.

(Continued on page 16)

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total income of industrial workers (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Whole-sale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Com-modities	Wage rates for hired farm labor ⁴	Com-modities, interest, taxes, and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All live-stock
1910-14 average	58	50	100	100	100	100	100	100	100	100	100
1915-19 average	72	90	152	158	119	147	148	147	153	162	157
1920-24 average	75	122	221	160	159	181	168	159	163	121	140
1925-29 average	98	129	232	143	151	184	161	161	155	145	152
1930-34 average	74	78	179	107	117	121	124	105	94	83	91
1935-39 average	100	100	199	118	124	121	125	119	108	117	115
1940-44 average	192	236	315	139	148	211	152	169	145	166	162
1945 average	203	292	389	154	179	359	189	230	194	207	210
1946 average	170	277	382	177	197	387	207	267	197	248	241
1947 average	187	330	436	222	230	419	239	272	219	329	287
1948 average	192	356	472	241	250	442	259	300	235	361	314
1949 average	176	328	478	226	240	430	250	251	219	311	272
1950 average	200	369	516	236	246	432	255	247	181	340	278
1950											
July	196	366	516	238	247	425	256	232	173	371	287
August	209	392	526	243	248		258	240	191	369	292
September	211	396	528	247	252		260	218	196	372	298
October	216	405	540	247	253	428	261	261	201	358	296
November	215	406	542	251	255		263	267	209	357	299
December	218	416	556	256	257		265	272	249	360	311
1951											
January	221	416	556	263	262	450	272	286	203	391	323
February	221	419	556	268	267		276	285	205	425	340
March	222	425	561	269	272		280	280	217	428	343
April	223	425	564	268	273	479	283	273	215	428	340
May	223	424	561	267	272		283	270	221	418	335
June	223			265	272		282	269	217	422	335
July					271	475	282	272	222	414	332

Year and month	Index numbers of prices received by farmers (1910-14=100)								All crops and live-stock	Parity ratios ⁶
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average	100	100	100	100	100	100	-----	100	100	100
1915-19 average	193	161	183	175	201	126	-----	171	164	111
1920-24 average	147	125	189	197	155	157	152	162	150	89
1925-29 average	141	118	169	150	135	146	145	143	148	92
1930-34 average	70	76	117	77	78	98	104	84	88	71
1935-39 average	94	95	172	87	113	95	95	99	107	86
1940-44 average	123	119	241	138	170	150	164	145	154	101
1945 average	172	161	360	178	228	244	207	203	206	109
1946 average	201	196	376	237	260	250	182	227	234	113
1947 average	270	249	374	272	363	212	226	263	275	115
1948 average	250	250	380	270	351	174	214	252	285	110
1949 average	219	170	398	245	242	199	201	223	249	100
1950 average	224	187	402	280	276	200	185	232	256	100
1950										
July	226	195	387	278	267	211	200	236	263	103
August	224	193	399	311	293	200	164	239	267	103
September	221	194	428	336	303	217	126	243	272	105
October	219	188	426	327	300	207	138	238	268	103
November	224	192	428	346	351	194	188	250	276	105
December	233	202	436	339	366	202	211	258	286	108
1951										
January	240	214	442	347	374	192	324	275	300	110
February	254	222	440	351	379	204	333	283	313	113
March	245	221	437	359	386	202	265	276	311	111
April	247	222	438	363	385	209	225	275	309	109
May	244	223	438	357	380	194	239	271	305	108
June	240	217	438	353	358	200	189	263	301	107
July	236	213	438	329	317	175	204	252	294	104

¹ Federal Reserve Board; represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on pay rolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised January 1950.

³ Bureau of Labor Statistics.

⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted.

⁵ Revised.

⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

⁷ 1924 only.

Outlook Highlights

(Continued from page 14)

Prices Paid Unchanged in July

Prices paid index, including interest, taxes, and wage rates at 282 percent of the 1910-14 average, was unchanged from June. Farmers' family living held about steady from mid-June to mid-July.

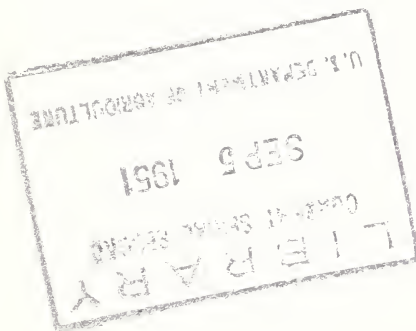
Demand Easing, Inventories Rising

Consumer expenditures for goods and services declined during the second quarter of this year by about 5 billion dollars, preliminary estimates indicate. This easing in consumer demand was accompanied by a continued rise in inventories at retail stores, as compared with a year earlier. Department store sales declined from an index of 362 in January to 301 in June. General economic activity, however, continues at record levels.

Gross National Production Up

The total value of the Nation's output of goods and services is estimated at an annual rate of about 329 billion dollars for the second quarter of this year, about 10½ billion dollars above the first quarter.

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)



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DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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